

REOPEN MICHIGAN PORTS!
Testimony of John Jamian May 6, 2013
Michigan Senate Natural Resources/Environment Great Lakes Committee

Since January 2007, Michigan environmental regulations have effectively closed the state's ports to export activity. Not a single export cargo has been loaded at a Michigan port since then.

Michigan Ports - Critical to the Economy:

Michigan has more ports than any other Great Lakes state. There are twenty-two federally authorized harbors in Michigan through which a variety of commodities are shipped. These include iron ore for steel making, limestone for construction, coal for electric power generation, and steel for automobile manufacturing. Michigan ports are important transportation asset that enable Michigan farmers and manufacturers to have access to world markets. Michigan ports make a significant contribution to the state's economy. A 2011 economic impact study determined that maritime commerce through Michigan ports supports more than 26,000 jobs and \$3.8 billion in business revenue.

Issue Background:

When not fully loaded, cargo ships must take on water (ballast) to maintain their stability. Once pumped onboard, ballast water is stored in narrow cavities (ballast tanks) built into the hull of the ship. Ballast water pumped onboard in one port may inadvertently contain aquatic organisms that are then released when the ballast is discharged in another port. In most cases, these organisms die; however, in some cases they thrive in their new environment and can disrupt the local aquatic ecosystem. The shipping industry admits to the role it plays in moving organisms around the globe and is committed to taking steps to minimize and eventually eliminate the problem.

Because commercial vessels operate between states and nations, a federal approach to this problem makes most sense for the environment and economy. Unfortunately, federal leadership had been lacking. Frustrated with the slow pace of federal action, in 2005, the Michigan legislature enacted Senate Bill 332, which requires all ocean-going commercial vessels conducting port operations in Michigan ports to obtain a permit from the MDEQ. To receive a permit, the operator must show that it will not discharge aquatic invasive species into state waters. In response to SB332, MDEQ established a permit program, which requires vessel operators to disinfect ships' ballast water prior

to discharge. To achieve disinfection, MDEQ requires one of four options: use of hypochlorite (chlorine), use of chlorine dioxide (gaseous form of chlorine), use of ultra-violet light, or use of deoxygenation. No other Great Lakes state has similar regulations.

Since the regulations took effect in January 2007, not a single ship owner has attempted to comply. Ship owners subject to the regulation are unwilling to provide service to Michigan ports. Instead, they serve the ports of adjacent states.

Why Do These Rules Impact Exports?

Ships discharge ballast water as they load cargo - to compensate for the weight of the cargo. To the contrary, ships take on ballast water when they unload cargo. MDEQ requirements only impact ballast water discharges, thus, they only impact cargo-loading (export) activity.

New Federal Ballast Water Rules:

In March 2012 the U.S. Coast Guard published final regulations requiring ship owners to install ballast water treatment equipment on vessels. Such equipment will filter and clean ballast water to remove aquatic organisms. Ship owners all over the United States will have to comply with the new rules.

In addition to the new Coast Guard rules, the U.S. EPA has finalized new ballast water discharge standards. These new standards will go into effect in December 2013. The EPA requirements are similar to the Coast Guard rules.

Its Time to Revisit Michigan's Regulations:

In light of new federal laws to address the ballast water / invasive species problem, and in light of the negative impact of Michigan's ballast water regulations, it is appropriate for the State of Michigan to revisit its ballast water regulations and revise them to enable full use of Michigan ports.

Shipping by water saves our environment.

Shipping by water saves our infrastructure

Shipping by water saves traffic fatalities on our roads

And finally, why are we sending our export cargo to Toledo and Bruns Harbor when we are the Great Lake State? We should save Michigan jobs!

I ask that you all support Sen Mike Green's Bill that will allow Michigan to become a true multimodal export state again.